

SERFF Tracking Number: BEUW-125679490 State: Arkansas
Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
Company Tracking Number: AR-PDP-CP-FM-2008-01
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Petroleum Dealers Program
Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Filing at a Glance

Company: StarNet Insurance Company
Product Name: Petroleum Dealers Program SERFF Tr Num: BEUW-125679490 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$150
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: AR-PDP-CP-FM-2008-01 State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
Disposition Date: 06/12/2008
Authors: Ryan Boulware, Donald Harrison
Date Submitted: 06/06/2008 Disposition Status: Approved
Effective Date Requested (New): On Approval Effective Date (New): 06/12/2008
Effective Date Requested (Renewal): On Approval Effective Date (Renewal): 06/12/2008

State Filing Description:

General Information

Project Name: Petroleum Dealers Program - Rules & Forms Status of Filing in Domicile: Authorized
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 06/12/2008
State Status Changed: 06/11/2008 Deemer Date:
Corresponding Filing Tracking Number:

Filing Description:

This filing is being made in order to provide enhancements to our already approved Petroleum Dealers Program. All material being filed at this time is new and no existing material previously approved is being revised. The filing package consists of three forms and a rules set. Only the last two (2) rules are new and a part of this submission although we are submitting the entire rules set for you convenience. If allowed, rule and forms are being submitted together. If separate

SERFF Tracking Number: BEUW-125679490 State: Arkansas
 Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
 Company Tracking Number: AR-PDP-CP-FM-2008-01
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Petroleum Dealers Program
 Project Name/Number: Petroleum Dealers Program - Rules & Forms/

filings are required by your state, the rules and forms are being submitted concurrently yet under separate cover.

We respectfully request an effective date upon your approval/acknowledgement of this filing.

Please note that this filing is mutually exclusive to all other Programs filed and approved on behalf of StarNet Insurance Company. All other filed and approved Programs for StarNet Insurance Company remain of file without change.

Thank you.

Company and Contact

Filing Contact Information

Ryan Boulware, Regulatory Filing Analyst rboulware@bupllc.com
 215 Shuman Blvd. (630) 210-0397 [Phone]
 Naperville, IL 60563 (630) 210-0377[FAX]

Filing Company Information

StarNet Insurance Company CoCode: 40045 State of Domicile: Delaware
 215 Shuman Blvd., Suite 200 Group Code: 98 Company Type: Stock
 Naperville, IL 60563 Group Name: State ID Number:
 (630) 210-0360 ext. [Phone] FEIN Number: 22-3590451

Filing Fees

Fee Required? Yes
 Fee Amount: \$0.00
 Retaliatory? No
 Fee Explanation: 3 forms @ \$50.00/form
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
StarNet Insurance Company	\$150.00	06/06/2008	20701749

SERFF Tracking Number: BEUW-125679490 State: Arkansas
Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
Company Tracking Number: AR-PDP-CP-FM-2008-01
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Petroleum Dealers Program
Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	06/12/2008	06/12/2008

SERFF Tracking Number: BEUW-125679490 State: Arkansas
Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
Company Tracking Number: AR-PDP-CP-FM-2008-01
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Petroleum Dealers Program
Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Disposition

Disposition Date: 06/12/2008

Effective Date (New): 06/12/2008

Effective Date (Renewal): 06/12/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: BEUW-125679490 State: Arkansas
 Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
 Company Tracking Number: AR-PDP-CP-FM-2008-01
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Petroleum Dealers Program
 Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Equipment Breakdown Coverage	Approved	Yes
Form	Endorsement - Commercial Property Form	Approved	Yes
Form	Commercial Supplemental Property Policy Declarations	Approved	Yes

SERFF Tracking Number: BEUW-125679490 State: Arkansas
 Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
 Company Tracking Number: AR-PDP-CP-FM-2008-01
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Petroleum Dealers Program
 Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Equipment Breakdown Coverage	CL CP 00 04	01 06	Endorsement/Amendment/Conditions	New	0.00	CL CP 00 04 01 06 Endorsement - Equipment Breakdown Coverage.pdf
Approved	Endorsement - Commercial Property Form	CP 75 22	01 06	Endorsement/Amendment/Conditions	New	0.00	CP 75 22 01 06 Property Enhancement Endorsement 8-17-2006.pdf
Approved	Commercial Supplemental Property Policy Declarations	CP DS 77 11	05 07	Declaration	New	0.00	CP DS 77 11 05 07 Commercial Property Declarations.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

Subject to all terms and conditions provided by the **COMMERCIAL PROPERTY COVERAGE PART**, the following additional coverage is added:

A. We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from "Equipment Breakdown".

1. "Equipment Breakdown" means the following:

a. Physical loss or damage, both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

(a) Waste disposal piping;

(b) Any piping forming part of a fire protective system;

(c) Furnaces; and

(d) Any water piping other than:

(i) Boiler feed water piping between the feed pump and the boiler;

(ii) Boiler condensate return piping; or

(iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.

(2) All mechanical, electrical, electronic or fiber optic equipment.

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown;

(2) Electrical or electronic breakdown;

(3) Rupture, bursting, bulging, implosion, or steam explosion; or

(4) Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances, or wires.

If covered electrical equipment requires drying out as a result of a flood we will pay for the direct expenses of such drying out.

2. However, "Equipment Breakdown" does not mean:

a. Physical loss or damage caused by or resulting from any of the following:

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nestling or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;

(6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;

(7) Scratching and marring.

However if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

b. Any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following Causes of Loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

B. With respect to the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM** and **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM**, the following apply:

1. With respect to the coverage provided by this endorsement, the following is added to Paragraph **A.4.d. Pollutant Clean Up and Removal**:

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most we will pay for the Pollutant Clean Up and Removal is \$25,000, unless a higher limit is provided by an endorsement to the property form to which this endorsement is attached. In that case, whichever limit is greater will apply.

2. With respect to the coverage provided by this endorsement, the following extensions are added to Paragraph **A.5. Coverage Extensions**:

g. Expediting Expense

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the "reasonable extra cost" to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement.

"Reasonable extra cost" shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation. This will be a part of and not an addition to the limit per loss.

h. Refrigerant Contamination

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of "Equipment Breakdown".

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

i. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by "Equipment Breakdown" to types of property covered by this policy, that are:

- (1) Located on or within 1,000 feet of your described premises, and
- (2) Owned by the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by an endorsement to the property form to which this endorsement is attached. In that case, whichever limit is greater will apply.

3. With respect to the coverage provided by this endorsement, the following is added to Paragraph **F. Additional Condition(s)**:

SUSPENSION

Whenever covered property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a. Your last known address; or
- b. The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

C. With respect to the coverage provided by this endorsement, the **CAUSES OF LOSS – BASIC FORM, CAUSES OF LOSS – BROAD FORM** and **CAUSES OF LOSS – SPECIAL FORM** are amended as follows:

- 1. Paragraph **B. Exclusions**, exclusions pertaining to the following are deleted:

- a. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.
 - b. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.
2. Exclusion **B.1.e. Utility Services** is deleted and replaced with the following:

UTILITY SERVICES

Loss resulting from an "Equipment Breakdown" to power or other utility service supplied to the described premises, however caused, if the failure occurs beyond 1,000 feet away from the described premises.

But if failure of power or other utility service results in an "Equipment Breakdown" to covered property, we will pay for the loss or damage caused by the "Equipment Breakdown".

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead the **Special Exclusion** applies to these coverages.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is \$25,000, unless a higher limit is provided by Endorsement. In that case, whichever limit is greater will apply.

3. Exclusion **B.3.a.(1)** of the **CAUSES OF LOSS – BASIC FORM** and **CAUSES OF LOSS – BROAD FORM**, and exclusion **B.4.a.(1)** of the **CAUSES OF LOSS – SPECIAL FORM** are deleted and replaced with the following:

When a loss results from "Equipment Breakdown", we will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs beyond 1000 feet of your described premise.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by Endorsement. In that case, whichever limit is greater will apply.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided by the following:

COMMERCIAL PROPERTY COVERAGE PART

SECTION I – COVERAGE EXTENSIONS:

Each of the Coverage Extensions described below are contained in the Coverage Part. The limits of insurance contained in the Coverage Part are replaced by the amounts shown for these Coverage Extensions in the Declarations. If no limits of insurance for any of these extensions is shown in the Declarations the applicable limits of insurance are those in the Coverage Part.

None of these Coverage Extensions change, modify, or increase any Limitation contained in the Coverage Part unless specifically stated below.

A. Valuable Papers and Records – The Building and Personal Property Coverage Form, A., Coverage, Item 5., Coverage Extensions, paragraph c., Valuable Papers and Records (Other Than Electronic Data), subparagraph (4) is entirely deleted and replaced with the following:

- (4) Under this Extension, the most we will pay to replace or restore the lost information is the amount shown in the Declarations. If no Limit of Insurance – Valuable Papers and Records is shown in the Declarations then the amount shown in the Coverage Part will apply. Such amount is additional insurance. We will also pay for the cost of blank material (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the Limit of Insurance on Your Business Personal Property and therefore coverage for such costs is not additional insurance.

B. Your Business Personal Property off Premises and in Transit – Building and Personal Property Coverage Form A., Coverage 5., Coverage Extensions, paragraph d. Property Off-Premises and Causes of Loss – Special Form E., Additional Coverage Extensions, item 1., Property in Transit are both entirely deleted and replaced with the following:

d. Property Off-Premises:

- (1) The insurance provided by this Coverage Part is extended to apply to your Covered Property, including personal property of others (Cargo) for which you are legally responsible while the property is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease, or operate;
 - (b) In storage at a location you lease provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show, or exhibition.
- (2) **Property Not Covered** – This Extension does not apply to property:
 - (a) That is “money” or “securities”;
 - (b) In the care, custody, or control of your salespersons, unless the property is in such care, custody, or control at a fair, trade show, or exhibition;
 - (d) That are furs, fur garments, and garments trimmed with fur;
 - (e) “Fine arts”
 - (f) That is jewelry, watches, watch movements, jewels, pearls, precious or semiprecious stones, bullion, gold, silver, platinum, and/or other precious alloys or metals; and
 - (g) That is lottery tickets held for sale, stamps, and letters of credit.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

(3) **Limit of Insurance – Property Off-Premises** – The most we will pay under this Additional Coverage is the amount shown in the Declarations as Limit of Insurance – Property Off Premises.

1. Property in Transit – We will pay for the loss of or damage to your personal property and the property of others for which you are legally liable directly resulting from a Covered Cause of Loss while in due course of transit between points in the coverage territory, including:

- a. Your contingent interest in shipments sold under Free On Board or Freight Allowed terms;
- b. Shipments of personal property on which the buyer refuses to accept delivery or returns to the shipper; and
- c. General average and salvage charges on shipments while waterborne.

Property Not Covered – Transit:

- (1) Property of others you accept while acting as a carrier for hire, broker, loader, consolidator, or freight forwarder;
- (2) Property covered under the Property Off Premises Additional Coverage.
- (3) Furs, fur garments, and garments trimmed with fur;
- (4) Jewelry, watches, watch movements, jewels pearls, precious or semi –precious stones, bullion, gold, silver, platinum, palladium, and any other precious alloys or metals;
- (5) “Fine arts”;
- (6) Lottery tickets held for sale and letters of credit; and
- (7) “Money” and “securities”.

a. Additional Conditions – The following conditions apply in addition to the Commercial Property Conditions and the Common Policy Conditions:

- (1) In the event of any loss or damage to personal property in transit you must immediately make a claim in writing against the carrier, bailee, or others involved.
- (2) If the this Coverage Part is canceled or not renewed we will cover property already in transit until it reaches its destination.
- (3) Any coverage we provide for your shipments ceases once your property has been loaded on board an overseas vessel or aircraft. Conversely our coverage will not commence until the shipments have been discharged from an overseas vessel or aircraft.
- (4) We will not cover any of your shipments that are also covered by an Marine Cargo Policy or would have been covered by any Marine Cargo Policy in the absence of this insurance.

b. Limit of Insurance – Transit – The most we will pay in any one loss is the amount shown in the Schedule as Limit of Insurance Property Off Premises and Transit.

THIS IS NOT OCEAN MARINE CARGO INSURANCE AND WILL NOT PROVIDE ANY PAYMENT FOR DAMAGE TO YOUR PERSONAL PROPERTY FOR WHICH OCEAN MARINE CARGO COVERAGE SHOULD HAVE BEEN PROVIDED.

C. Outdoor Signs – The Limit of Insurance for Outdoor Signs attached and unattached to buildings found in the Building and Personal Property Coverage Form C., Limits of Insurance is included the Limit of Insurance in the Declarations for this Covered Property.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

D. Foundations of Machinery, Tanks, and Equipment – Building and Personal Property Coverage Form – A., Coverage, paragraph 1., Covered Property, subparagraph a., Building is amended by adding:

- (6) Foundations of machinery, tanks, and their component parts, including all connections, which are below the surface of the lowest basement floor, or where there is no basement, below the surface of the ground.

Item 2., Property Not Covered, subparagraph g., Foundations of buildings, structures, machinery or boilers is entirely deleted and replaced with the following:

g. Foundations of buildings or structures if these foundations are below:

- (1) The lowest basement floor; or
- (2) The surface of the ground if there is not basement.

SECTION II – ADDITIONAL COVERAGES:

Each of the following Additional Coverages add to coverage found in the Coverage Part. These Additional Coverages are limited to the Limit of Insurance amounts shown for that Additional Coverage in the Declarations. If no limit is shown in the Declarations for one or more of these Additional Coverages that Additional Coverage does not apply to this policy.

Each of these coverages share all exclusions, definitions, deductible, conditions, and limitations expressed in Coverage Part. Some of these Additional Coverages may contain additional terms, conditions, or exclusions specific to that Additional Coverage. Many of these Additional Coverages have defined words and phrases that differ from the rest of the Coverage Part. See Section III – Additional Definitions of this endorsement.

None of these Additional Coverages change, modify, or increase any Limitation contained in this Coverage Part unless specifically stated in the description of the Additional Coverage, below.

A. Accounts Receivable Coverage (Revenue Loss) – The Coverage Part is amended by adding Accounts Receivable Coverage (Revenue Loss):

1. Insuring Agreement – We will pay:

- a. The “money” due you that you are unable to collect from customers;
- b. Interest charges on any loan that you secure to offset your reduced cash flow;
- c. Additional collection expenses; and
- d. Other reasonable expenses you incur to reestablish your “accounts receivable records”

that result from physical loss or damage to your “accounts receivable records” at a described premises directly caused by a Covered Cause of Loss. We will not pay more than the Limit of Insurance shown in the Schedule above.

2. Additional Exclusions – Accounts Receivable Coverage – In addition to all of the exclusions of the Building and Personal Property Coverage Form and the applicable Causes of Loss Form, the following additional Exclusions apply to this Additional Coverage:

- a. We will not pay for physical loss or damage caused by “mistake” in bookkeeping, accounting, or billing.
- b. Defects or Errors** - We will not pay for loss or damage caused by “mistake” in:
 - (1) Systems programming; or
 - (2) Instructions to a machine;

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- c. We will not pay for physical loss or damage to “accounts receivable records” in storage away from the described premises.

However, if a result of one of these excluded causes is a Covered Cause of Loss we will pay for that portion of the total loss or damage solely caused by that Covered Cause of Loss.

3. Limits of Insurance – Accounts Receivable – The Limits of Insurance for this Additional Coverage are shown in the Declarations. If no Limits of Insurance – Accounts Receivable (Revenue Loss) is shown in the Declarations this Additional Coverage does not apply to this policy.

4. Valuation – Accounts Receivable – If you cannot accurately establish the amount of accounts receivable outstanding at the time of loss or damage the following method will be used:

- a. Determine the total of the average monthly amounts of accounts receivable for the twelve (12) months immediately preceding the month in which the loss or damage occurs; and
- b. Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss or damage;
- (2) The amount of the accounts that you are able to re-establish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

B. “Extra Expense” Coverage:

1. Insuring Agreement – “Extra Expense” – We will pay the actual and necessary “extra expense” you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations and for which an “extra expense” Limit of Insurance is shown in the Schedule, above. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within one hundred (100) feet of the site at which the described premises are located. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- a. The portion of the building which you rent, lease or occupy; and
- b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Covered Causes of Loss, Exclusions, and Limitations – “Extra Expense” – See the applicable Causes of Loss Form as shown in the Declarations.

3. Additional Limitation – Interruption of Computer Operations – “Extra Expense” – Coverage for “extra expense” does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of “electronic data” or any loss or damage to “electronic data”, except as provided under the Additional Coverage – Interruption of Computer Operations.

4. Additional Coverages – “Extra Expense”:

a. Alterations and New Buildings – We will pay for the actual and necessary “extra expense” you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

ENDORSEMENT – COMMERCIAL PROPERTY FORM

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises; and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

b. Civil Authority – We will pay for the actual and necessary “extra expense” you incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to three (3) consecutive weeks from the date of that action.

c. Interruption of Computer Operations:

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to “extra expense” to apply to a “suspension” of “operations” caused by an interruption in computer operations due to destruction or corruption of “electronic data” due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
 - (b) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption Of Computer Operations is the amount shown in the Schedule for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained after the end of the “period of restoration”, even if the amount of insurance stated in (4) above has not been exhausted.

5. Coverage Extension – “Extra Expense” – You may extend the insurance provided by this Additional Coverage as follows:

a. NEWLY ACQUIRED LOCATIONS:

- (1) You may extend your “extra expense” Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- (2) The most we will pay for loss under this Extension is the amount shown in the Declarations as Limit of Insurance – Extra Expense – Newly Acquired Locations, for each newly acquired location.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

(3) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (a) This policy expires;
- (b) Thirty (30) days expire after you acquire the property; or
- (c) You notify us of how you want this coverage to apply to that location.

We will charge you additional premium from the date you acquire the property.

This Extension is additional insurance.

b. Interruption of Computer Operations – “Extra Expense” – You may extend the insurance provided for “Extra Expense” to apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of “electronic data” or any loss or damage to “electronic data”, except as provided under the Additional Coverage – Interruption of Computer Operations.

6. Limits Of Insurance – “Extra Expense” – The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations. If no Limit of Insurance – “Extra Expense” is shown in the Declarations this Additional Coverage does not apply to this policy. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- a. Alterations and New Buildings; or
- b. Civil Authority.

7. Loss Conditions – “Extra Expense” – The following additional conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions. If you intend to continue your business, you must resume all or part of your “operations” as quickly as possible. Your “extra expense” loss will be determined as follows:

a. Loss Determination:

(1) The amount of “extra expense” will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - i. The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and
 - ii. Any “extra expense” that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(b) Necessary expenses that reduce the “extra expense” otherwise incurred.

(2) We will reduce the amount of your “extra expense” loss to the extent you can return “operations” to normal and discontinue such “extra expense”.

(3) If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

b. Loss Payment – We will pay for any loss within thirty (30) days after we receive the proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We reach agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

C. Contractors Equipment- Miscellaneous Small Tools and Equipment – We will pay for physical loss of or damage to Covered Property directly caused by any Covered Cause of Loss:

1. Covered Property means:

- a. Contractors Equipment
- b. Personal tools;
- c. Tool chests; and
- d. Other equipment
- e. Mobile Telephones and Radios

which are the personal property of your customers, “employees”, or other persons at the described premises; or

- f. Vehicles that are not licensed for use on public roads

used by you in your business.

2. Limits Of Insurance – Contractors Equipment-Miscellaneous Small Tools and Equipment – The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations. If no Limit of Insurance – Contractors Equipment- Miscellaneous Small Tools and Equipment is shown in the Declarations this Additional Coverage does not apply to this policy.

D. “Employee” “Theft” Coverage – Loss Sustained Form and “Theft” of “Money” and “Securities” Inside and Outside the “Premises”:

1. Insuring Agreements:

- a. **“Employee” “Theft”** – If a Limit of Insurance for “Employee” “Theft” is shown in the Schedule then we will pay for loss of or damage to “money”, “securities”, and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons. We will also pay for loss caused by any “employee” while temporarily outside the “coverage territory” for a period of not more than ninety (90) days.
- b. **Inside the “Premises” – “Theft” of “Money” and “Securities”** – If a Limit of Insurance for Inside the “Premises” – “Theft” of “Money” and “Securities” is shown in the Schedule then we will pay for loss of “money” and “securities” inside the described premises or “banking premises” resulting directly from “theft”, disappearance, or destruction. We will also pay for loss from damage to the “premises” or its exterior resulting from an actual or attempted “theft” of “money” and “securities”, if you are the owner of the “premises” or are liable for damage to it. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the “premises” resulting directly from an actual or attempted “theft” of or unlawful entry into those containers.
- c. **Outside the “Premises” – “Theft” of “Money” and “Securities”** – If a Limit of Insurance for Outside the “Premises – “Theft” of “Money” and “Securities” is shown in the Schedule then we will pay for loss of “money” and “securities” in the care and custody of a “messenger” or an armored motor vehicle company resulting directly from “theft”, disappearance, or destruction.

2. Limit of Insurance and Deductible – The most we will pay for loss in any one “occurrence” is the Limit of Insurance shown in the Declarations. If no Limit of Insurance is shown in the Declarations for any one or more of these insuring agreements this Additional Coverage does not apply to this policy. Before we will pay any loss we will first deduct the applicable deductible amount shown in the Declarations.

3. Valuation – In addition to the Valuation provisions of the Coverage Part the following apply to this Additional Coverage:

- a. **“Money”** only up to its face value. We may, at our option, pay for loss of “money” issued by any country other than the United States of America:

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- (1) At face value in the “money” issued by that country; or
 - (2) In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal for the date the loss was discovered.
- b. “Securities”** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
- (1) Pay the value of such “securities” or replace them in kind, in which event you must assign to us all your rights, title, and interest in and to those “securities”; or
 - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (a) Value of the “securities” at the close of business on the day the loss was discovered; or
 - (b) Limit of Insurance shown in the Schedule.
- 4. Additional Exclusions** – In addition to all the exclusions contained in the Coverage Part except for Exclusion 2., h., of the Causes of Loss – Special Form which does not apply to “employee” “theft” these exclusions do apply:
- a.** The following exclusions apply to this entire Additional Coverage:
- (1) **Acts Committed by You, Your Partners, or Your “Members”** – Loss resulting from “theft” or any other dishonest act committed by you or any of your partners or “members” whether acting alone or in collusion with other persons.
 - (2) **Indirect Loss** – Loss that is an indirect result of any act or “occurrence” covered by this Additional Coverage, including but not limited to loss resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of or damage to “money”, “securities”, “real property” or “personal property”. “Business income” and “extra expense” coverages do not apply to this additional coverage.
 - (b) Payment of damages of any type for which you are legally liable. However, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.
 - (c) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage. Professional Fees Additional Coverage does not apply to this Additional Coverage.
 - (3) **Legal Expenses** – Expenses related to any legal action.
- b.** The following exclusions apply to “employee” “theft” coverage. We will not pay for:
- (1) **“Employee” Cancelled Under Prior Insurance** – Loss caused by any “employee” of yours or predecessor in interest of yours for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
 - (2) **Inventory Shortages** – Loss, or that part of any loss the proof of which as to its existence or amount is dependent upon:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- However, where you establish wholly apart from such computations that you have sustained a loss then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- (3) **Trading** – Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account.
 - (4) **Warehouse Receipts** – Loss resulting from fraudulent or dishonest signing, issuing, canceling, or failing to cancel a warehouse receipt or any papers connected with it.
- c. The following exclusions apply to “theft” of “money” and “securities” other than “employee” “theft”:
- (1) **Accounting or Arithmetical Errors or Omissions** – Loss resulting from accounting or arithmetical errors or omissions.
 - (2) **Exchanges or Purchases** – Loss resulting from giving or surrendering of property in any exchange or purchase.
 - (3) **Money Operated Devices** – Loss of property contained in any money operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.
 - (4) **Transfer or Surrender of Property:**
 - (a) Loss of or damage to “money” or “securities” after transfer or surrender to a person or place outside the “premises” or “banking premises”:
 - i. On the basis of unauthorized instructions;
 - ii. As a result of a threat to do bodily harm to any person; or
 - iii. As a result of a threat to do damage to any property.
 - (b) However, this exclusion does not apply to loss of “money” or “securities” Outside the “Premises” in the care and custody of a “messenger” if you:
 - i. Had no knowledge of any threat at the time the conveyance began; or
 - ii. Had knowledge of a threat at the time the conveyance began but the loss was not related to the threat.
 - (5) **Voluntary Parting of Title or Possession of Property** – Loss resulting from your or anyone acting on your express or implied authority being induced by any dishonest act to voluntarily part with title to or possession of any property.
- 5. Additional Conditions** – In addition to all the other conditions of this Coverage part the following additional Conditions apply:
- a. **Cancellation as to any “Employee”** – This insurance is canceled as to any “employee”:
 - (1) Immediately upon discovery by you or any of your partners, “members”, “managers”, officers, or directors not in collusion with the “employee” of “theft” or any other dishonest act committed by that “employee” whether before or after becoming employed by you.
 - (2) On the date specified in a notice mailed to you. That date will be at least thirty (30) days after mailing. We will mail or deliver our notice to you at your last mailing address known to us. If notice is mailed proof of mailing will be sufficient proof of notice.
 - b. **Consolidation Merger** – If through consolidation, merger, or purchase or acquisition of assets or liabilities of some other entity any additional persons become “employees” or you acquire the use and control of additional “premises”:
 - (1) You must give us written notice and obtain our written consent to extend this Additional Coverage to such additional “employees” or “premises”. We may condition our consent upon payment of additional premium, however
 - (2) For the first ninety (90) days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities any insurance afforded for “employees” or “premises” also

ENDORSEMENT – COMMERCIAL PROPERTY FORM

applies to these additional “employees” or “premises” for acts committed or events occurring within this ninety (90) day period.

c. Discovery:

- (1) We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
 - (a) During the policy period shown in the Declarations; or
 - (b) During the period of time provided in the Extended Period to Discover Loss Condition below.
- (2) Discovery of loss occurs when you first become aware of facts that would cause a reasonable person to assume that a loss covered by this Additional Coverage has been or will be incurred even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

d. Extended Period to Discover Loss:

- (1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy that is discovered by you no later than one (1) year from the date of that termination or cancellation.
- (2) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this Additional Coverage whether or not such other insurance provides coverage for loss sustained prior to its effective date.

e. Loss Covered Under this Additional Coverage and Prior Insurance Issued by Us or any Affiliate – If any loss is covered:

- (1) Partly by this Additional Coverage; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this Additional Coverage or the prior insurance.

Regardless of the number of years this Additional Coverage remains in force or the number of premiums paid no limit of insurance cumulates from year to year or policy period to policy period.

f. Loss Sustained During Prior Insurance:

- (1) If you or any predecessor in interest sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired we will pay for it under this insurance provided:
 - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

g. Other Insurance – This Additional Coverage does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Additional Coverage will apply to that part of the loss, other than that falling within any Deductible Amount not recoverable or recovered under the other insurance or indemnity. However, this Additional Coverage will not apply to the amount of loss that is more than the applicable limit of insurance shown in the Declarations.

h. Armored Motor Vehicle Companies – Under Loss Outside of the “Premises” we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by or for the benefit of customers of the armored motor vehicle company.

E. Spoilage Coverage – We will pay for loss of or damage to Covered Property directly resulting from a Covered Cause of Loss:

1. Covered Property – Spoilage Coverage means “perishable stock” at the described premises owned by you or by others in your care, custody, or control.

Property Not Covered means:

a. Property located on buildings;

b. Property in the open; or

c. Property in vehicles.

2. Covered Causes of Loss – Spoilage Coverage means the following:

a. Breakdown or Contamination meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling, or humidity control apparatus or equipment only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

b. Power Outage meaning change in temperature or humidity resulting from complete or partial interruption of electrical power either on or off the described premises due to conditions beyond your control.

3. Valuation – Spoilage Coverage – Selling Price is added to the Valuation Loss Condition as follows:

We will determine the value of finished “perishable stock” in the event of loss or damage at the selling price as if no loss or damage had occurred less any discounts and expenses you otherwise would have.

4. Building and Personal Property Coverage Form paragraph A., 5., Coverage Extensions does not apply.

5. Causes of Loss – Special Form paragraph B., Exclusions is entirely deleted and replaced with the following with respect to Spoilage Coverage:

B. Exclusions:

1. Only the following Exclusions contained in paragraph B., 1., of the Causes of Loss Form are applicable to Spoilage Coverage:

a. Earth movement;

b. Governmental Action;

c. Nuclear Hazard;

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- d. War and Military Action; and
- e. Water.

2. The following exclusions are added:

- a. The disconnection of any refrigerating, cooling, or humidity control system from the source of power.
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling, or humidity control unit.

6. Limit of Insurance – Spoilage Coverage – The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations. If no Limit of Insurance – Spoilage Coverage is shown in the Declarations this Additional Coverage does not apply to this policy.

7. Building and Personal Property Coverage Form paragraph D., Deductible is replaced with the following:

Deductible – Spoilage Coverage – We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible amount shown in the Declarations for Spoilage Coverage. We will then pay the amount of loss or damage in excess of the that Deductible up to the Limit of Insurance shown in the Schedule. No other deductible in this Coverage Part applies to the Spoilage Coverage.

8. Building and Personal Property Coverage Form paragraph G., Optional Coverages does not apply.

F. SURFACE WATER – Causes of Loss – Special Form – Item B., Exclusions – Paragraph g., Water, is entirely deleted and replaced with the following:

- (1) Flood, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray whether driven by wind or not;
- (2) Mudslide or mudflow;

The following Additional Coverage is added:

1. Additional Coverage – Surface Water – We will pay for loss of or damage to your petroleum products caused directly by surface water provided the product or products are rendered unusable due to the unusual and rapid accumulation of water above the ground surface; and/or mudslide or mudflow resulting from the unusual and rapid accumulation of water above the ground surface.

2. Additional Exclusion – Surface Water – Water resulting from inundation of normally dry land area from inland or tidal waters in streams rivers ,lakes, or other bodies of water.

3. Limit of Insurance – Surface Water – We will pay up to the amount shown in the Declarations as Limit of Insurance – Surface Water in any one occurrence at any described premises.

G. “Pollutant Clean Up and Removal-Mechanical Failure of a Vehicle”- We pay your expense to extract “pollutants” from land or water at or from the described Premises if the release, discharge or dispersal of the “pollutants” is caused by or results from mechanical failure of a vehicle that occurs during the policy period.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

This coverage applies only if the “pollutants” escape, seep, migrate, or are discharged, dispersed or released from a vehicle part designed by a manufacturer to hold, store, receive or dispose of such “pollutants.”

Additional Exclusions which apply to this Additional Coverage-

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of “pollutants”. But we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

Additional Conditions which apply to this Additional Coverage-

The expenses will be paid only if they are reported to us within 120 hours of the earlier of:

1. The date of the direct physical loss or damage; or
2. The end of the policy period.

The most we will pay for this Additional Coverage is the combined aggregate limit, as stated in the Declarations, for all expenses during the policy period regardless of the number of occurrences.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible amount shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the limit shown for this Additional Coverage.

H. “Wrongful Delivery of Petroleum Products”- We will pay for the direct loss of your Petroleum Products resulting from the delivery of your product into the wrong container or for the delivery of one product for another product provided the product is thereby rendered unusable.

The most we will pay under this Additional Coverage is the Limit of Insurance shown in the Declarations.

I. “Terminal Access Card Coverage” (TAC Card) – We pay for the loss of or damage to petroleum products you own or for which you are legally liable resulting from unauthorized use of a “terminal access card” which has been lost or stolen from a registered key or cardholder.

1. Additional Exclusion – “Terminal Access Card” Coverage – We will not pay for loss caused by, resulting from, contributed to, or made worse by any dishonest or criminal acts by committed by or on behalf of any of the following persons whether acting alone or in collusion with others and whether occurring during working hours or not:

- a. You;
- b. Any of your partners or “employees”;
- c. Any of your officers, directors, or trustees;
- d. Any of your authorized representatives; or
- e. Anyone to whom you entrust the terminal access code.

2. Limit of Insurance and Deductible – The Limit of Insurance is the amount shown in the Declarations as Limit of Insurance – “Terminal Access Card”. The limits apply to each unauthorized, or series of similar or related unauthorized uses of a terminal access card will be considered to be one occurrence.

J. Additional Coverage – Storage “Tank” – If a Limit is shown in the Declarations, we will pay for loss of or damage to Covered Property caused directly by any Covered Causes of Loss.

1. Covered Property means the following property:

a. Storage “tanks” that:

- (1) You own or lease to or from others;

b. Bulk liquids that are:

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- (1) Owned by you; or
 - (2) The property of others in your care, custody or control;
- but only if contained in a “tank”.

2. Additional Coverages – Storage “Tank”:

a. Additionally Acquired Property – If during the policy period you acquire additional property of a type already covered by this Coverage Part, we will cover such property for up to thirty (30) days, but not beyond the end of the policy period. The most we will pay for loss or damage is the lesser of:

- (1) Twenty-five (25) percent of the total Limit of Insurance shown in the Declarations for Storage “Tanks” of property; or
- (2) **\$10,000.**

You will report values of such property to us within thirty (30) days after you take possession and will pay any additional premium due. If you do not report such property, coverage will cease automatically thirty (30) days after the date the property is acquired or at the end of the policy period, whichever occurs first.

The Coinsurance Additional Condition does not apply to this coverage.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

This Additional Coverage does not apply to property covered on a blanket basis.

b. Debris Removal:

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is twenty-five (25) percent of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.
- (3) Payment under this Additional Coverage will not increase the applicable Limit of Insurance, but if:
 - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% limitation;

we will pay up to an additional **\$5,000** in any one occurrence under this Additional Coverage.

- (4) This Additional Coverage does not apply to costs to:
 - (a) Extract “pollutants” from land or water; or
 - (b) Remove, restore or replace polluted land or water.

3. Exclusions – In addition to the exclusions of the Coverage Part the following exclusions apply:

- a.** Leakage, discharge, dispersal, seepage, migration, release or escape of the contents of a “tank” unless a result of direct physical damage to the “tank”.
- b.** Deterioration or contamination of covered property.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- c. Processing or work upon the property. However, if processing or work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Additional Coverage.
- 4. Limits of Insurance** – The most we will pay for loss or damage in any one occurrence is the amount shown in the Declarations as Limit of Insurance – Storage “Tank”.
- 5. Deductible** – We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.
- 6. Additional Conditions:**
- a. Valuation:**

(1) **Property You Own or Lease** – The value of:

(a) “Tanks” will be the least of the following amounts:

- i. The actual cash value of that property;
- ii. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- iii. The cost of replacing that property with substantially identical property; and

(b) Bulk liquids will be the lesser of your:

- i. Original cost, including costs associated with acquisition; or
- ii. Inventory value.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

(2) **Sold Property – Bulk Liquids** – The value of property sold but not yet delivered will be your net selling price after all allowances and discounts.

(3) **Property Of Others – Bulk Liquids** – The value of property of others in your care, custody or control will be the lesser of the:

- (a) Agreed value; or
- (b) Market value at the time of loss.

b. The following conditions apply in addition to the Common Policy Conditions:

(1) **Coverage Territory** – We cover property wherever located within:

- (a) The United States of America (including its territories and possessions);
- (b) The Commonwealth of Puerto Rico; and
- (c) Canada.

(2) **Coinsurance** – If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:

ENDORSEMENT – COMMERCIAL PROPERTY FORM

- (a) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (b) Divide the Limit of Insurance of the property by the figure determined in Step (a);
- (c) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (b); and
- (d) Subtract the deductible from the figure determined in Step (c), above.

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This provision does not apply to blanket coverage on “tanks” or contents.

K. Additional Coverages - Fire Department Service Charge

If a limit is shown on the Declarations, we will pay up to the amount shown for Fire Department Service Charges you incur:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

L. Additional Coverages – Fire Protection Device Recharge

If a limit is shown on the Declarations, we will pay up to the amount shown for costs you incur to refill fire protective equipment that has been discharged:

1. In the course of saving or protecting Covered Property from a “covered cause of loss”.
- No Deductible applies to this Additional Coverage.

SECTION III – ADDITIONAL DEFINITIONS

In addition to the definitions contained in the Coverage Part the following Definitions are added:

- A. “**Accounts receivable records**” means accounting records you use to control and/or document the collection of “money” due from your customers regardless of what material it is inscribed, printed, written, or recorded upon.
- B. “**Banking premises**” means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- C. “**Computer programs**” means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- D. “**Electronic data**” means information, facts or “computer programs” stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of “computer software” that are used with electronically controlled equipment.
- E. “**Employee**”:
 1. “Employee” means:
 - a. Any natural person:
 - (1) While in your service or for thirty (30) days after termination of service;

ENDORSEMENT – COMMERCIAL PROPERTY FORM

(2) Who you compensate directly by salary, wages, or commissions; and

(3) Who you have the right to direct and control while performing services for you;

b. Any natural person who is furnished temporarily to you:

(1) To substitute for a permanent “employee” as defined in paragraph (1) above, who is on leave;
or

(2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the “premises”;

c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business but does not mean a temporary employee as defined in paragraph (2) above;

d. Any natural person who is a former “employee”, director, partner, “member”, “manager”, representative, or trustee retained as a consultant while performing services for you; or

e. Any natural person who is a guest student or intern pursuing studies or duties excluding however, any such person while having care and custody of property outside the “premises”.

2. “Employee” does not mean:

a. Any agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or

b. Any “manager”, director, or trustee except while performing acts coming within the scope of the usual duties of an “employee”.

F. “**Extra expense**” means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

1. Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

2. Minimize the “suspension” of business if you cannot continue “operations”.

G. “**Manager**” means a person serving in a directorial capacity for a limited liability company.

H. “**Market value**” means the price the property will realize if offered for sale in a fair market on the date of the loss or damage.

I. “**Member**” means an owner of a limited liability company represented by its membership interest, who may also serve as a “manager”.

J. “**Messenger**” means you, a relative of yours, or any of your partners, “members” or any “employee” while having care and custody of property outside the “premises”.

K. “**Mistake**” means an act or decision, whether or not negligent, including the failure to act or decide, of any person, group, organization, or governmental body which creates or allows a result that is unexpected, inadequate, defective, faulty, or otherwise unfit for the intended purpose.

L. “**Money**” means:

1. Currency, coins, bullion, or bank notes, in current use and having a face value; and

2. Travelers' checks, register checks, food stamps, and money orders held for sale to the public.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

M. “Occurrence” means:

1. An act or series of related acts involving one or more persons; or
2. An act or event or a series of related acts or events not involving any person.

N. “Operations” means your business activities occurring at the described premises.

O. “Period of Restoration” means the period of time that:

1. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
2. Ends on the earlier of:
 - a. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - b. The date when business is resumed at a new permanent location.

“Period of restoration” does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration date of this policy will not cut short the “period of restoration”.

P. “Perishable stock” means personal property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

Q. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

R. “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or property and includes:

1. Tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidence of debt issued in connection with credit or charge cards, which cards are not of issued by you.

“Securities” does not mean “money”.

S. “Suspension” means the slowdown or cessation of your business activities.

T. “Tank” means:

1. A storage tank described in the Declarations; and
2. Piping, pumps and other appurtenant apparatus and equipment that:
 - a. Are an actual part of a described tank;
 - b. Connect described tanks, one with another; or
 - c. Are within 100 feet of a described tank.

ENDORSEMENT – COMMERCIAL PROPERTY FORM

U. “Theft” means the unlawful taking of “money”, “securities”, “real property” or “personal property” to your deprivation.

V. “Terminal access card” means an imprinted card, key, or other unlocking device for use by authorized persons to activate a petroleum product pump at the described premises.

W. “Water damage” means:

1. Flood, surface waters, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
2. Mudslide or mudflow;
3. Water that backs up from a sewer or drain; or
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings.

COMMERCIAL SUPPLEMENTAL PROPERTY POLICY DECLARATIONS

Policy Number:

ENHANCEMENT COVERAGES

The coverages below apply per location. If you purchase additional limits for any of these coverages at a specified location, the Limits of Insurance shown at that location will reflect your total limits, including the Limits of Insurance shown below.

- A. The Limits of Insurance shown below are provided for the Coverage listed and apply separately at each of your premises. If there is no separate deductible indicated, the Property Deductible will apply.

	Limit
Property in Transit	\$15,000
Valuable Papers	\$25,000.
Accounts Receivable	\$25,000
Loss Data Preparation / Extra Expense	\$5,000
Data and Media, Extra Expense Combined Limit	\$25,000
Contractor's Equipment	Optional
Tool Floater	\$5,000
Mobile Telephones/Radios	Optional
Employee Theft	\$25,000
Inside the Premises – Theft of Money & Securities	\$10,000
Outside the Premises — Theft of Money & Securities	\$5,000
Damage to Petroleum Product Due to Surface Water	\$10,000
Loss due to Wrongful Delivery	\$10,000
Terminal Access Card Coverage	\$10,000
Tanks	Optional
Debris Removal	\$10,500 Additional coverage
Fire Department Service Charge	\$5,000.No deductible applies
Fire Protection Device Recharge	\$2,500.

- B. The coverages below apply on a policy aggregate basis. If there is no separate deductible indicated, the Property Deductible will apply.

Pollutant Clean Up and Removal "Described Premises"	\$25,000.
Pollutant Clean Up and Removal-Mechanical Failure of a Vehicle	

SERFF Tracking Number: *BEUW-125679490* *State:* *Arkansas*
Filing Company: *StarNet Insurance Company* *State Tracking Number:* *EFT \$150*
Company Tracking Number: *AR-PDP-CP-FM-2008-01*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Petroleum Dealers Program*
Project Name/Number: *Petroleum Dealers Program - Rules & Forms/*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: BEUW-125679490 State: Arkansas
Filing Company: StarNet Insurance Company State Tracking Number: EFT \$150
Company Tracking Number: AR-PDP-CP-FM-2008-01
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Petroleum Dealers Program
Project Name/Number: Petroleum Dealers Program - Rules & Forms/

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/12/2008

Comments:
Please find attached

Attachment:
Trans Doc AR CP FM Trans Doc.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: _____ Renewal: _____
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
-----------	--	--

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
-----------	---	--

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1